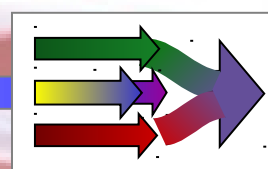




# SINGLE STOCK FUN D

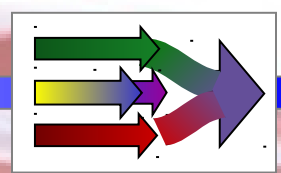


## *Program Update*

8 May 2002



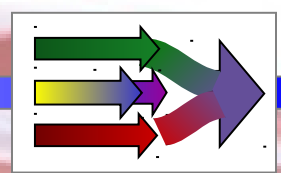
# Today's Objectives



- **Review current Milestone 1&2 (MS 1&2) environment**
- **Preview Milestone 3 (MS 3) environment**
  - **Key Changes**
  - **Developmental Testing (Ongoing)**
  - **Operational Testing (1 Jun 02)**
  - **Army Implementation Schedule**
- **Highlight the Road Ahead**



# Problem Statement

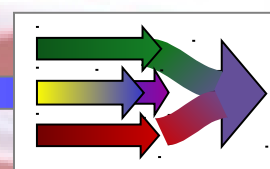


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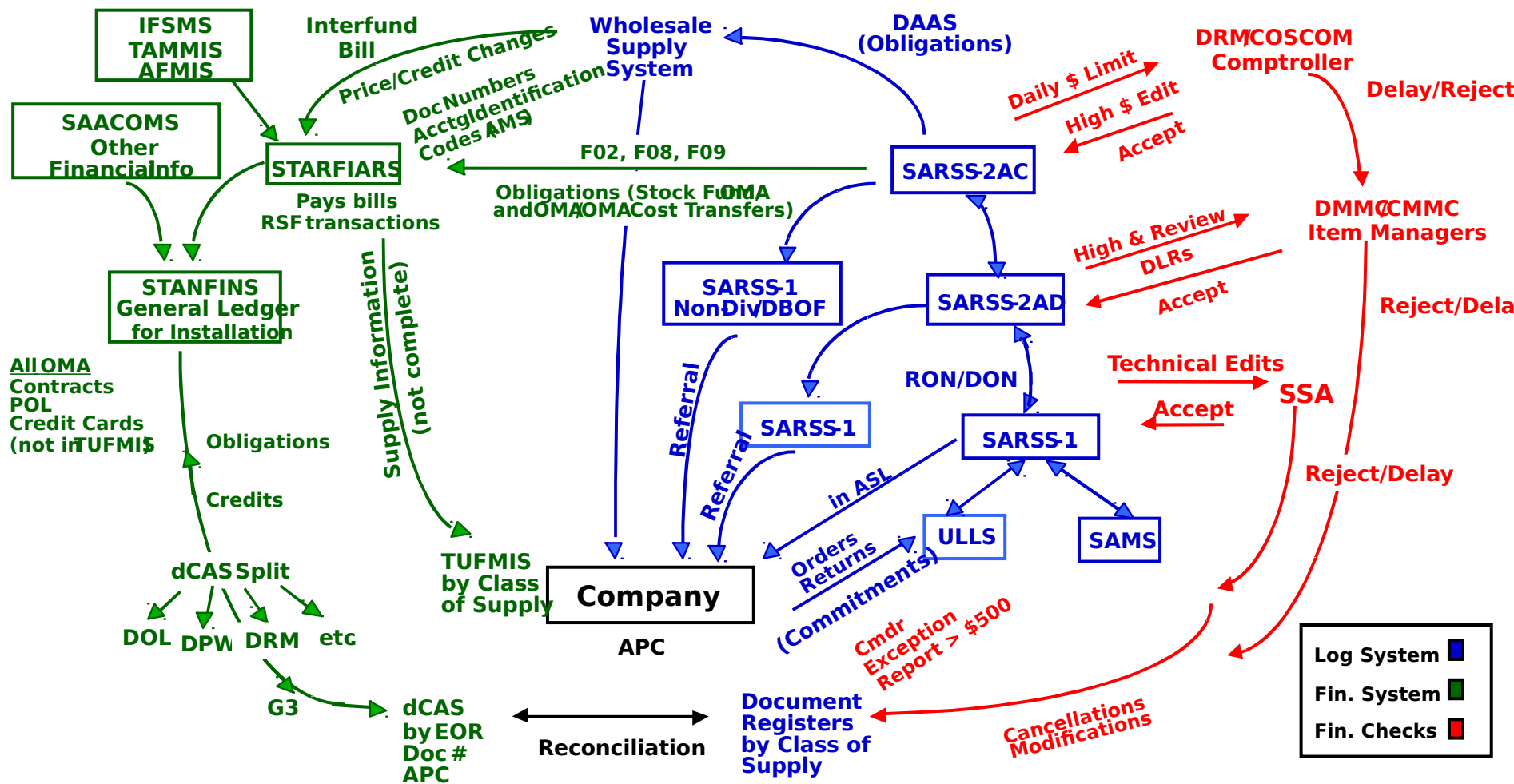
**‘Fragmented logistics and financial systems are causing inefficient inventory management, unacceptable lack of financial predictability and hinder our ability to logistically support future concepts of operations.’**

---

**--Extract from SSF Decision Briefing  
to VCSA, Nov 97**

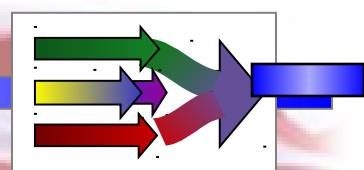


## Pre-SSF Complexity





# Program Essentials



## What SSF Is

Army initiative that tears down logistics and financial owner barriers

Enables...  
Execution of  
Transformation  
Vision

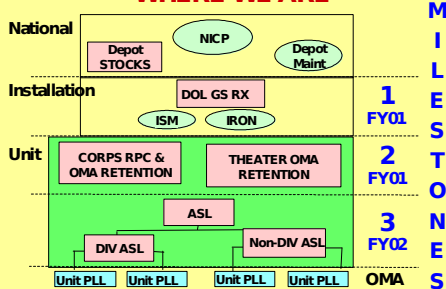
### Benefits

- Single point of sale
- Single level of ownership
- Single general ledger
- Improved asset visibility
- Standardized credit
- Standardized business practices
- Improved requirements determination
- Unified inventory
- Improved redistribution

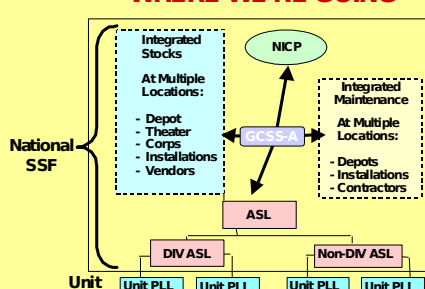
### Our Vision



#### WHERE WE ARE



#### WHERE WE'RE GOING



## What SSF Isn't

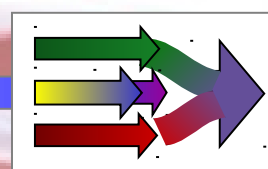
- Automation Modernization
- A Single Manager/Process for Maintenance of Secondary Items
  - Standardized Maintenance Criteria
- Re-Capitalization of end items
- Velocity Manager
  - Subsistence
  - Medical
  - Bulk Fuel
  - Engr/Const
  - Initial Issue
- Holding select inventories in the AWCf that should be

• Subsistence  
• Medical  
• Bulk Fuel  
• Engr/Const  
• Initial Issue

Supporting Soldiers, Sustaining



# Changing Business Processes



## The Four Tenets

Take Army Working Capital  
Fund out of the equation --  
Exclude these inventories  
from SSF

## Shaping the Fund Leveraging DLA

- **Single Point of Sale**
  - Linking O&M Customers to the National Domain
- **Single Credit Process**
  - Eliminating current tiered credit systems
- **Integrated Requirements Determination**
  - National visibility & decision-making
- **Enable National Maintenance Management**

### Systems

### Execution

#### ACIIPS

Army Clothing Initial  
Issue Point System

Transfer to DLA WCF

(\$21M Sales)

#### AFMIS

Army Food Management  
Information System

Transfer to WCF

(\$36M Sales)

#### FAS

Fuels Automated  
System

Transfer to DLA WCF

(OSD directed DLA fuel  
management Dec 91)

#### IFS

Integrated Facilities  
System

O&M Funded

\$15M Sales - (Non-GSA/DLA  
standard commercial  
items)

#### TAMMIS

Theater Army Medical  
MgtInfo System

Transfer to DLA WCF

\$35M Sales - \*(\$31K  
Redstone Arsenal  
Inventory to Defense  
Health Program O&M  
Activity)

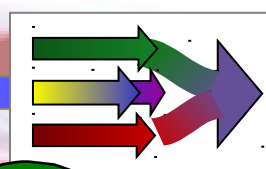
- Fixing right stuff,  
right place, right

**Sustaining The Transforming Army**



# The SSF Campaign Plan

## - A Phased Approach -



**EVENT DRIVEN**

**2 Key Pacing**

**Items:**  
**PPRES (time driven)**  
**- Automation**

**OCT 97**

**OCT 99 (Nov 00)**

**OCT 00 (Nov 00)**

### MILESTONE 0 CONCEPT

- Maintain Fiscal Solvency & Prep for SSF Implementation
- ### TASKS
- PM Appointed
  - Implementation & Analysis Plans Complete
  - CCSS/SARSS/STARFIAR S Interface & Visibility
  - Credit/Pricing Rules Established
  - Business Rules: Pers & Mgmt
  - POM Adjustment/Efficiency
- 
- Offset/Safety Valve
- ### END STATE
- Successful Demonstration

### MILESTONE 1 CONCEPT

- Incorporate Installation, Theater, Corps AWCF Assets into USAMC Managed SSF
- ### TASKS
- NSMM Implemented (NMM)
  - Installation Costs Associated w/AWCF Borne by AWCF
  - One Point of Sale
  - Integrated Requirements Determination Process
  - POM Adjustment/Efficiency
  - Offset/Safety Valve
- ### ENDSTATE
- Demonstration of Integrated Requirements Determination Process

### MILESTONE 2

#### CONCEPT

- Incorporate Non-Deployable Corps and Theater O&M Retention Stocks Into SSF

### MILESTONE 3

#### CONCEPT

- Incorporate All O&M Stocks Above PLL/Shop Stock Into SSF

### RISK

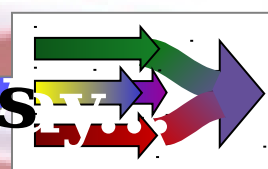
**UNINTENDED  
CONSEQUENCES &  
PROGRAMMING**

**APPROVED BY  
VCSA, 18 NOV 97**

**ining The Transforming Army**

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# Campaign Plan Objectives

**Milestone 3:**

**Convert all Army  
stocks above PLL/Shop  
stock (FY02)**

**Milestones 1&2:**

**Convert all Army  
Wholesale/Retail AWC  
& O&M Redistributable  
stocks (FY01)**

**Milestone 1A:**

**Proving SSF  
Concept with a Demo at  
three sites (FY00)**

**Realigning financial  
roles & responsibilities  
(FY99)**

**Milestone 0:**

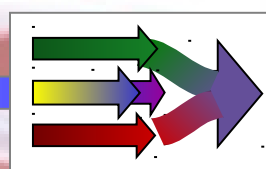
**Prep for  
SSF Implementation**







# Automation Framework



Working in Multiple Environments to achieve “Seamless Logistics & Finance Systems with a Single Manager Supported by a Single Automation Architecture”

Pre-SSF

SSF

Future  
GCSS-A

Legacy Environment

CCSS

LEGACY

SARSS

CCSS

I  
N  
T  
E  
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L  
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O  
N

SARSS

Linkage of Key  
Business  
Practices via  
Systems  
Changes &  
Middleware

**Tier I**  
STAMIS Integration  
& Modernization:  
*Initial Operating  
Capability*

**Tier II**  
Wholesale & Retail  
Integration:  
*Enhanced  
Operating  
Capability  
( WLMP )*

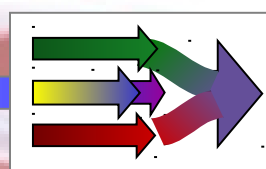
**Tier III**  
Joint  
Interoperability:  
*Full Operating  
Capability*

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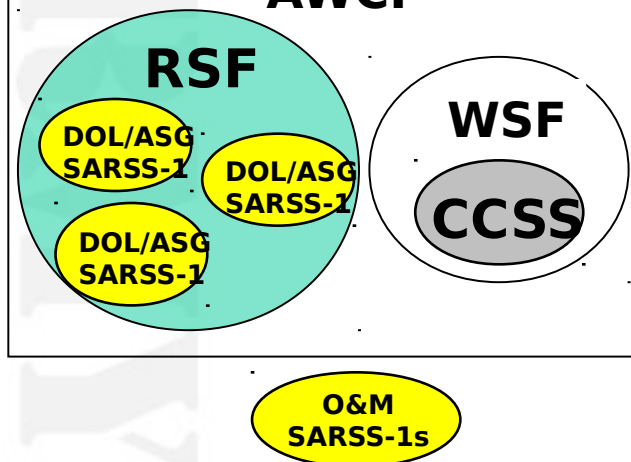
# SSF Asset Visibility



## Pre-SSF

- Limited National visibility of stocks
- Operations & Maintenance requirements, demands & assets not fully populated at National level
- Retail Stock Fund (RSF) operated independently of the Wholesale Stock Fund (WSF)
- 49 RSF General Ledgers (G/Ls) maintained locally

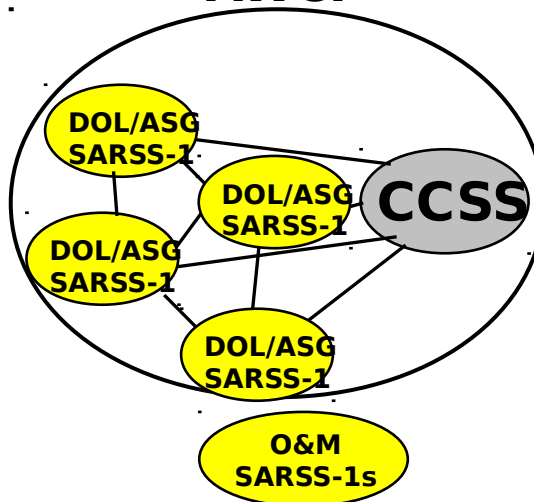
**AWCF**



## Current (MS 1&2)

- Increased National visibility of stocks
- Integrated processes through Installation/ASG level
- Single National AWCF G/L
- Non-SARSS/AMCISS inventories excluded

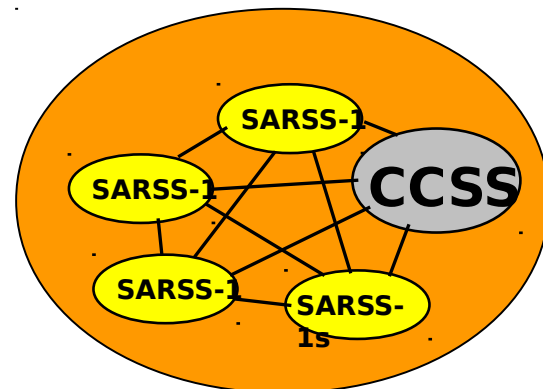
**AWCF**



## Future (MS 3)

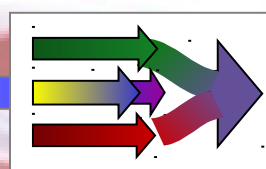
- Global Visibility of Stocks
- Integrated processes through Tactical SSA level
- Single National AWCF G/L

**AWCF**





# SSF MS 1&2 Environment



**Implementation has allowed increased access to Army Working Capital Fund (AWCF) stock and visibility of user requirements, consumption, returns, and stocks**

➤ **Army is already receiving:**

- Accelerated return on investment
- Improved AWCF Customer Wait Time (CWT)
- Significant redistribution of previously “unseen” AWCF materiel to fill critical readiness requirements
- AMC positioning stock to fill AWCF demand-supported ASL requirements

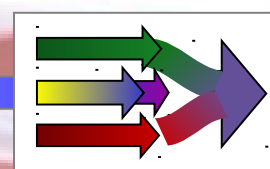
➤ 99 Economic Analysis  
Projected Payback at  
4.5 Yrs.  
➤ At current rate, Payback  
will be < 2 Yrs.

Army CWT May -  
Sep 01 improved  
by 3.4 days  
compared to FY  
00 baseline  
(ILAP: Oct 01)

\$208M in IPG 01  
requisitions filled, May  
00- Feb 02  
(LIDB: 8 Mar 02)

\$187M  
increase in  
AWCF on-hand  
stock  
(ILAP: 12 Mar  
02)

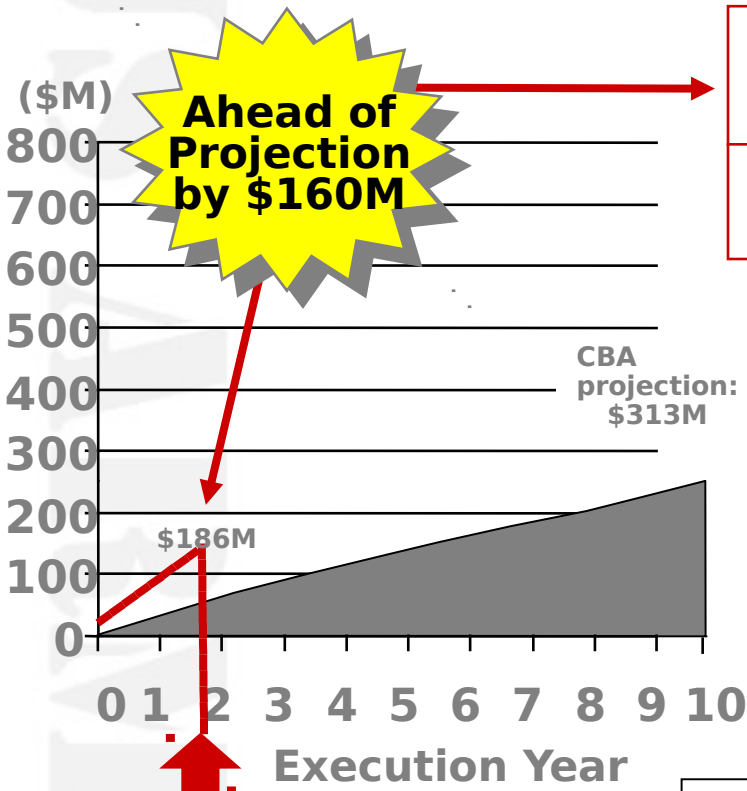
***Sustaining The Transforming Army***



# Benefit Projections/Actual Performance

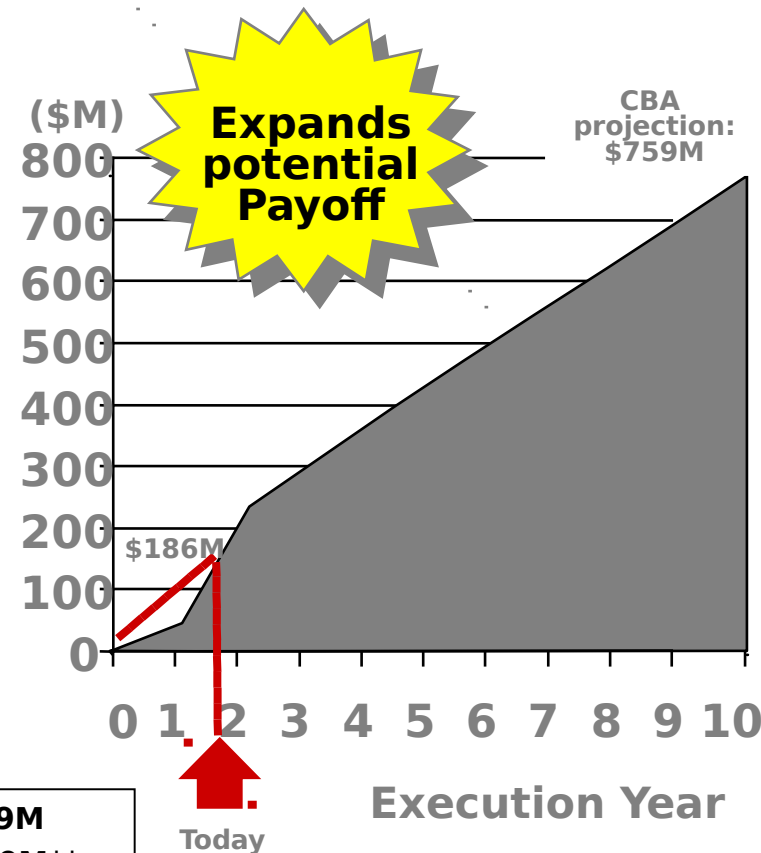
- 1999 Cost Benefit Analysis (CBA)
- Actual Performance, May 00 - Feb 02

## Only MS 1&2 Benefits



Projected excess redistribution benefit after 2 yrs	\$ 26M
Actual AWCF redistribution, May 00-Feb 02	\$186M

## Including MS 3 Benefits



## CBA Highlights

- Projected Benefits: \$759M
- Investment Costs: \$100M\*\*
- Net Benefits: \$659M

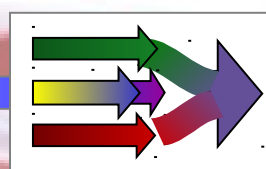
\*\*Actual investment cost \$147M

— Projected benefits  
— Actual benefits

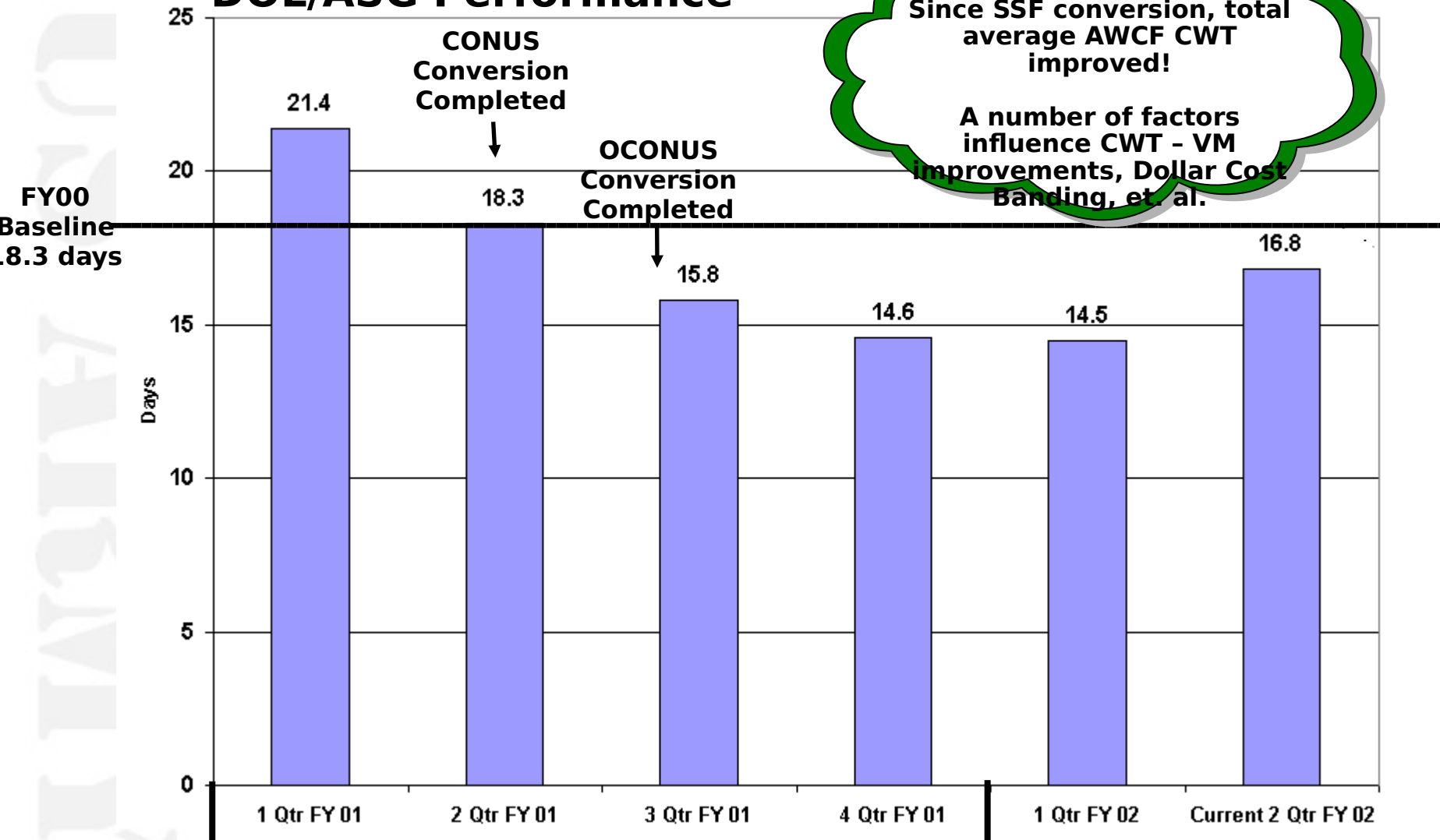
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# AWCF CWT Mean (CL IX)

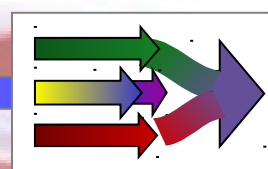


## DOL/ASG Performance



ILAP: 28 Feb 02

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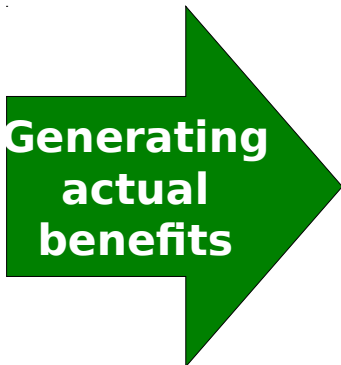
# Leveraging Visibility

## SSF optimized Geo-search matrix

Pre-SSF

Today  
(SSF MS 1&2)

Tomorrow  
(SSF MS 3)

<p>➤ <b>MACOM “On installation/ within OCONUS region” stock redistribution</b></p>	<p>➤ <b>Commander continues to set local redistribution rules</b></p>	<p>➤ <b>No change</b></p>
 <p><b>Generating actual benefits</b></p>	<p>➤ <b>Nationally-directed AWCf redistribution from non-tactical SSAs to Army users outside of that internal referral pattern</b></p>	<p>➤ <b>Immediate visibility of \$788M at tactical SSAs</b></p>
	<p>➤ <b>May 00-Feb 02, \$345M redistributed:</b></p> <ul style="list-style-type: none"><li>-70% of requisitions from excess</li><li>-30% of req. from within RO</li></ul>	<p>➤ <b>National level able to penetrate Tactical SSA AWCf inventories for IPD 01 requirements</b></p>
		<p>➤ <b>Excess above RL automatically retrogrades to non-tactical SSAs</b></p>

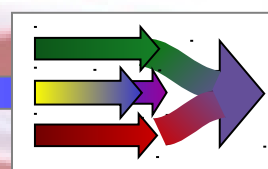
**Sustaining the Transforming Army**

C: Carlos Cosme /DALO SSF/703-617-0724/cosmec@hqamc.army.mil DSN: 767-0724 15 of 15

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# Nationally-Directed AWCF Redistribution - Geo-search matrix—impacts by MACOM FY 01

## Business Rules

- CONUS supports OCONUS req'ts
- OCONUS does not routinely support CONUS req'ts

Reflected in  
MACOM  
redistribution  
numbers

Excludes "on  
installation/With  
in OCONUS  
region"  
redistribution

LOGSA: Feb 02 Data  
CL II, IIIp, IV, and IX

	Beneficiary \$Value	Contributor \$Value
USAREUR	40.6M	4.6M
EUSA	14.0M	2.6M
USARPAC	0.67M	0.1M
FORSCOM	64.3M	78.4M
TRADOC	7.2M	29.1M

Top recipients  
1. FORSCOM  
2. USAREUR  
3. TRADOC  
4. EUSA  
5. ARCENT

Top recipients  
1. FORSCOM  
2. USAREUR  
3. EUSA  
4. ARCENT  
5. TRADOC

- TRADOC sites first to convert
- 83% Ground
- FAD increase recently approved

## Benefits

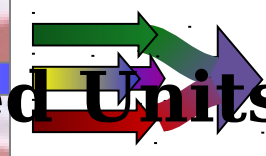
- ✓ 97.7% of MROs supported tactical customers
- ✓ 70% derived from excess stock
- Source of benefits/savings

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# AWCF Redistribution to Deployed Units



**Jan - Dec 01 totals:  
31K MROs (\$23M)**

**Nov 01 (IPD 01-03)  
snapshot**



**ARCENT/KUWAIT &  
CENTCOM/SWA  
1461 MROs (\$1.0M)**

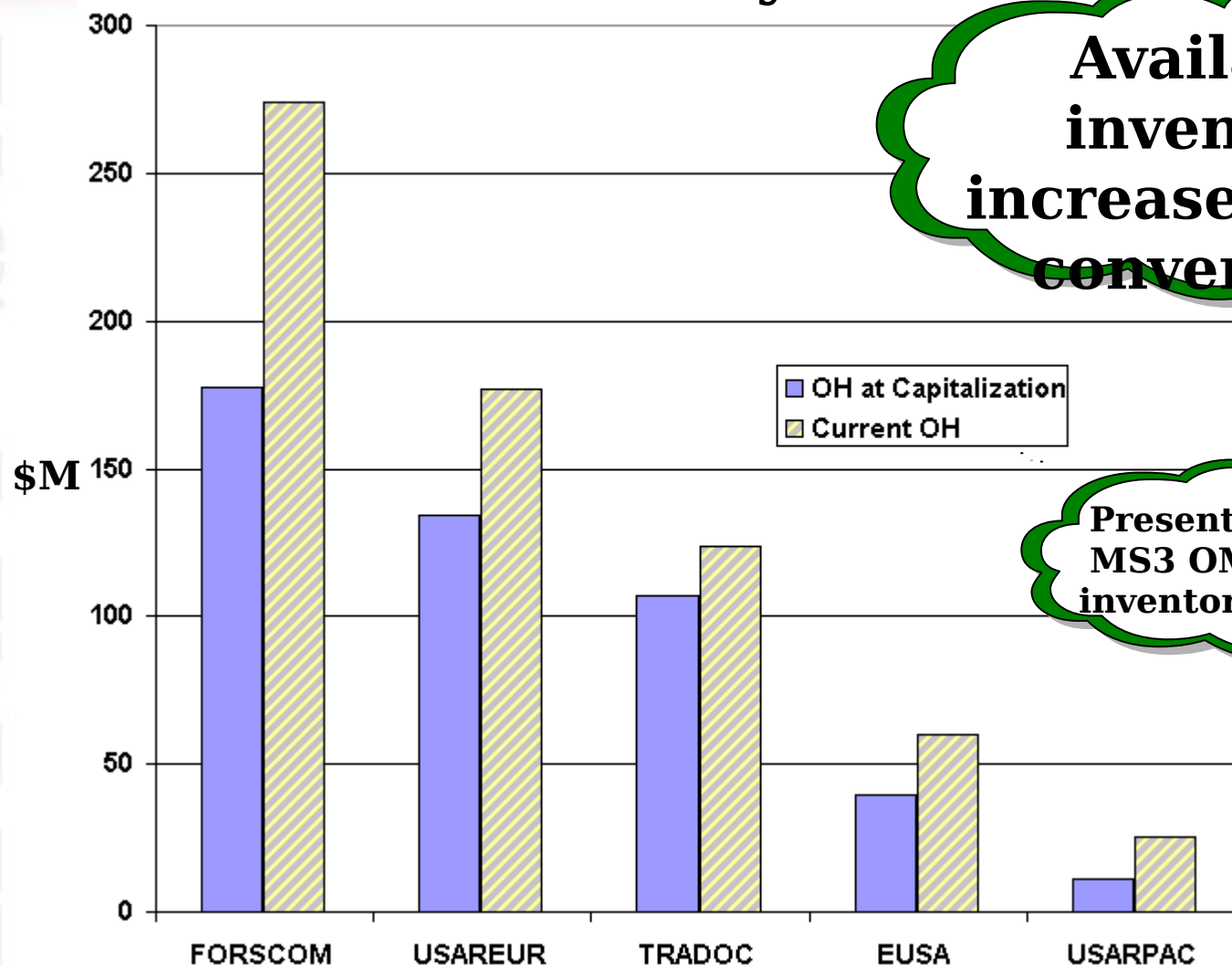
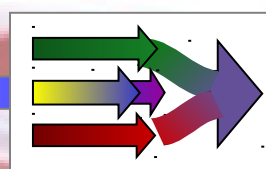
**BALKAN TASK  
FORCES  
928 MROs (\$1.2M\*)**

**Redistribution  
to deployed  
forces -  
Benefit of  
increased  
geo-search  
access to  
critical stock**

**\* Excludes MROs filled via USAREUR  
"within region" redistribution, IPD 01-  
03 (518 MROs - \$376K)**



# AWCF Stockage Level Summary



**Available  
inventory  
increased since  
conversion**

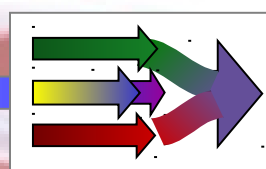
**Present position of  
MS3 OMA on-hand  
inventory \$673.6M**

\*ILAP: 14 Mar 01  
CL II, IIIp, IV and IX

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# Additional SSF Benefits



SSF enables numerous improvements

- Implemented a single Army Credit Policy

Eliminated redundancy

- Eliminated 2 Financial Legacy systems

STARFIARS & RASFIARS

Stronger internal controls

- Strengthening Chief Financial Officer Compliance

Improved IT support

- Increasing Systems Synchronization and Confidence

Readiness focus

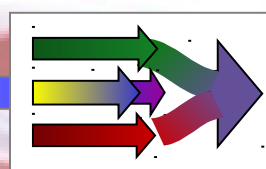
Streamlining

- Standardizing and documenting CSS procedures

Simplifying



# SSF Milestone 3 (MS 3) Preview



➤ **Doubles the MS 1&2 benefit projections**

**Projections:**  
• \$313M (only MS1&2)  
• \$759M (includes MS3)

➤ **Capitalization of tactical supply support activity O&M inventories into the AWCF:**

**Immediate visibility of \$788M at tactical SSAs**

- **Increases availability of assets for redistribution Army-wide in a single fund**
- **Provides near real-time data on Army Secondary Item consumption, returns... total picture becoming clearer**
- **Eliminates separate financial inventory ownership**
  - » **Integrated view of total spares requirements**

**National level can penetrate for IPD 01 requirements**

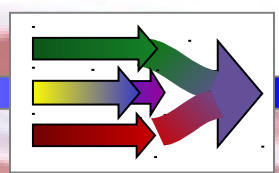
**Visibility enables smarter buy, store, redistribute, and repair decisions**

**AWCF fills demand-supported requirements IAW available funding**

**Sets stage for further optimization: Stock positioning, IRD, Repair decisions, etc.**



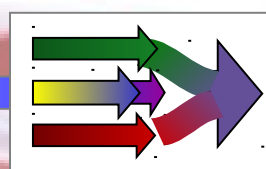
# SSF MS 3 Strategic Focus



- ✓ In the SSF MS 3 environment, overarching logistics responsibilities will remain unchanged: CSS units will continue to orchestrate logistics support to meet Warfighter requirements
- ✓ There will be changes in how that support is provided
- ✓ The Army approach is to minimize the impact of these changes by making improvements to automated systems
- ✓ Most of these changes will be transparent to non-CSS units -- and to SARSS-1 operators



# SSF MS 3 Overview



## What's Not Changing

- AWCf redistribution IAW search matrix/penetration rules
- Granting AWCf credit
- Item management
- Credits NSN-based
- Redistribution IAW search matrix/penetration rules
- ASL stockage determination process
- AMC Reps on Installation
- AWCf funds ASL replenishments
- Commander drives readiness
- Sets DS/RX program
- Makes Stockage determination
- Sets internal search & penetration rules
- Deploys ASL inventory
- Determines RON/DON Option
- Operates O&M funded DS/RX program
- Directs Maintenance-to-Maintenance
- Receives NSN-based Credit
- Exercises Fund control in SARSS

### National Level

### Installation Level

### Tactical Level

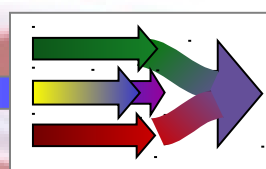
## What's Changing

- Expanded ASL Visibility/Tactical input AWCf inventory affecting transactions
- Visibility of DS/RX activities, contract repairs, and maintenance transactions
- Below Depot Maint production report
- Partial Issues use restored at I
- RON/DON option at DOL
- Accept RC turn-ins
- Standardized automatic retrograde
- Non-DS/RX O&M stock capital
- AWCf Credit (except DS/RX)
- DS/RX management tools
  - OMA NIIN file replaces USVE
  - MWF forecasting tool for DS and GS maintenance
- Nationally-directed Penetration of ASL for IPD-01 requisitions
- Visibility of SAMS Maint transactions
- AWCf funds ASL replenishments
- SARSS-1 to SARSS-2 AC Recon

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# SSF MS 3 Risk Mitigation



**All Software Completed**



**Software Functional Testing**

Proponent Internal Testing Process:

- CCSS
- SARSS
- Middleware
- DAAS
- ISB

**Successful Test**

**Systems Integration Test (SIT) Readiness Review**

- Test Plan Completed
- Test Objectives Est.
- Environment Ready

- Individual Systems Software Ready
- PD Approval

**SIT**

• End-to-end Run of Test Cases Keyed to What Changes:

- DS/RX
- RON/DON
- Partial
- Recons

- All CDAs & MACOMs
- End-to-end linkage
- Clear Exit Criteria

**Army-Wide Implementation Decision**

**Army Leadership Decision, Oct 02**

**Implementation Readiness Review (IRR)**

- Prep for Army-wide Implementation
- All CDAs & MACOMs
- VIOC Objectives Met
- No Pri -1 PRs Open
- Waivers for PRs with Work-Arounds Approved by DA Deputy G-4

**Framing the Army Leadership Decision to Extend Implementation Army-wide**

**VIOC**

- Implement Ft. Hood, TXARNG & selected USAR units
- Verify Conversion Process
- Verify Software
- Verify Business Processes
- Immediate Response to PRs

- 90 Day Data Collection
- 60 Day Analysis Period

**Verification of Initial Operating Capability (VIOC) Readiness Review**

- Evaluation Plan Complete
- Impl. Plan Complete
- SIT Objectives Met
- No Critical PRs Open
- High & Moderate PRs Documented
- Appropriate Waivers

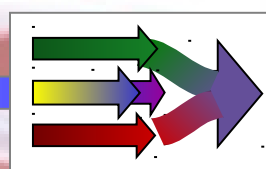
**App DA Deputy G-4 Decision to Start VIOC in Consult with GOWG**

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# SSF MS 3 Schedule



• SIT = Systems Integration Test  
• VIOC = Verification of Initial Operating Capability

**VIOC Participants:**  
• 1CD, 4th ID, 13th COSCOM  
(over 15% of the AC Army)  
• TX ARNG  
• USARC Units

FY Change Downtime

Holiday Period Downtime

2002

2003

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May

Major Event

Systems Integration Testing

Developmental Testing

VIOC Data Collection Phase

Operational Testing

Initial Implementation

VIOC Data Analysis Phase

Extended VIOC Data Monitoring

Army-wide Implementation

SSF Dir's Review Process

✓ SIT Readiness Review  
12 Feb 02

✓ SIT IPR  
28 Mar 02

VIOC Readiness Review  
10 May 02

VIOC IPR

Army Implementation Readiness Assessment

IAW MACOM-approved Fielding Schedules

GO/SES Oversight Mechanism

✓ General Officer Work Group (GOWG)  
15 Jan 02

★ SSF GOWG  
14 May 02

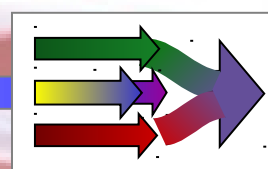
• SSF GOWG  
• SSF Executive Steering Committee  
• Army MS3 Implementation Decision

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# Army-wide MS 3 Implementation Decision



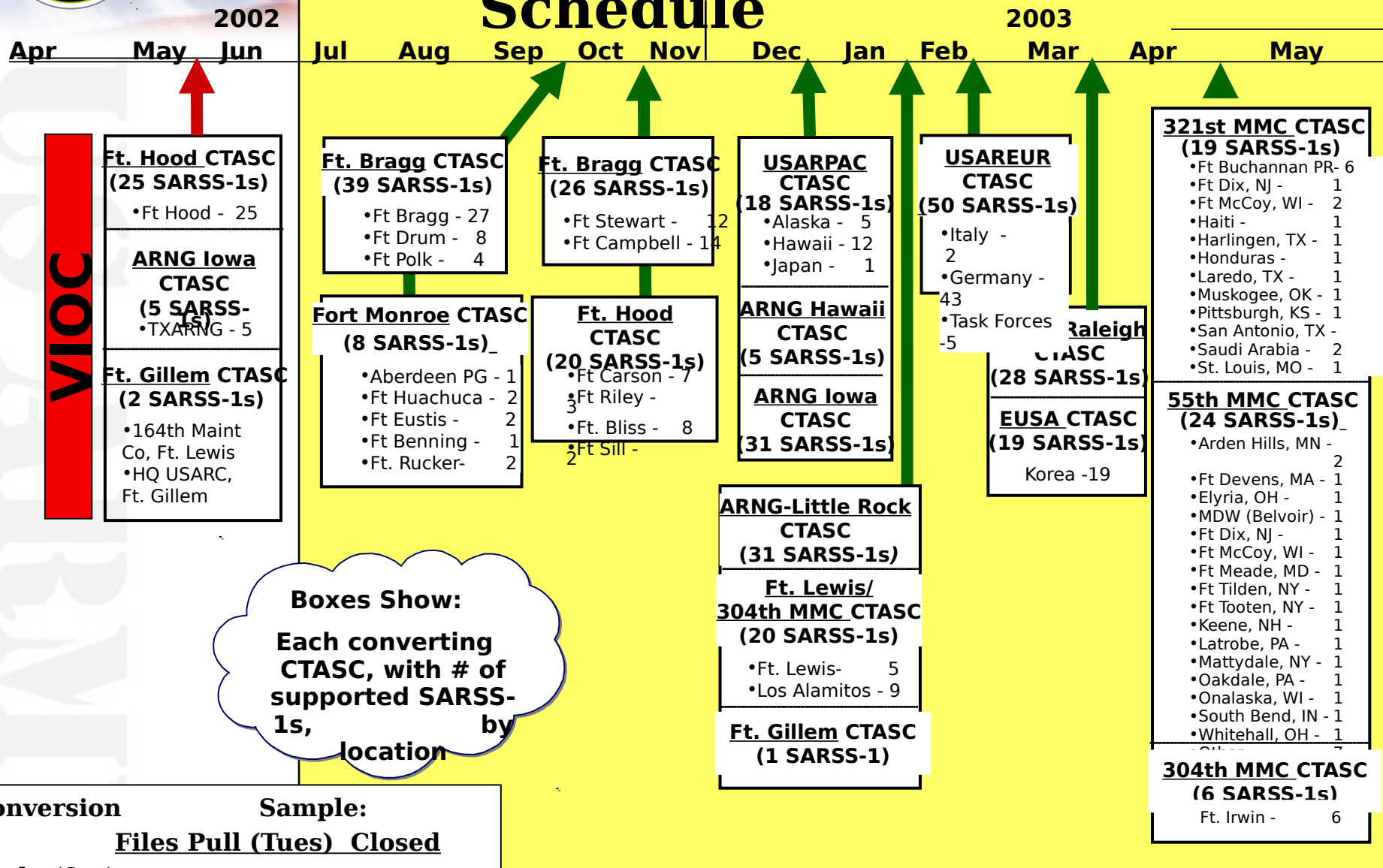
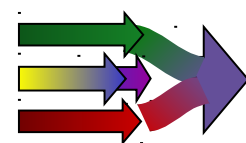
Post-VIOC  
Sequence of  
Events, Sep-Oct  
02

## Goal: Evaluate Implementation Readiness

- Forum 1: **Focus on Topics, Rating Categories**  
**Army VTC Organizations Voting**
- Forum 2: **Issues and build Recommendation**  
**Implementation Readiness Review**
- Forum 3: **Recommendation to Implement**  
**SSF GOWG**
- Forum 4: **Recommendation**  
**Executive Steering Committee**
- Forum 5: **Implementation Decision**  
**CSA, VCSA & 4-Star MACOM Cdrs**



# SSF MS 3 Conversion Schedule



Conversion Sample:  
Files Pull (Tues) Closed  
Cycle (Sat)

VIOC: 28 May 1 June

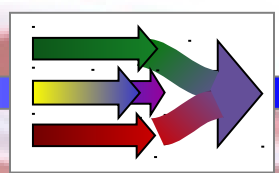
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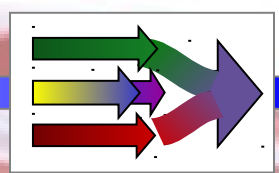
# SSF Near-Term Focus



- |                |   |
|----------------|---|
| ✓ 22 Feb 02    | SIT started                                     |
| ✓ 28 Mar 02    | SIT IPR (AO level)                              |
| ✓ 24 Apr 02    | Pre-GOWG VTC                                    |
| ✓ 06 May 02    | SIT ends  |
| • 10 May 02    | VIOC Readiness Review (VRR);<br>COL/GS-15 level |
| • 14 May 02    | SSF GOWG - VRR Focus                            |
| • 23 May 02(T) | Post-GOWG VTC (if needed)                       |
| • 01 Jun 02    | VIOC Kickoff                                    |



# Critical Success Factors



## ➤ Senior Leadership Sponsorship & Involvement

## ➤ Initial Focus -- Process versus Information Technology

## ➤ Continuous Involvement of Process Owners

- Business Rules
- Testing
- Readiness Assessments

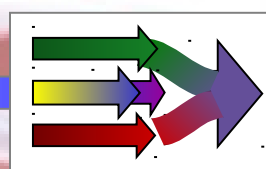
## ➤ Regular Project Assessments

## ➤ Implementation/Deployment Strategy

- Site Support Teams
- Detailed Planning
- Rapid Development Process - 28 months from project start to Initial Operating Capability
- Site "dress rehearsals"



# Summary



➤ **SSF MS 1&2 sets the foundation for further optimization**

➤ **As SSF processes mature and we move to MS 3:**

- More accurate repair/buy decisions
  - Buying the right spares
  - Repairing what's needed
- Improved requirements determination
- More informed stock positioning decisions
- Further Readiness enhancements

**The payoff for MS3**

**Visibility of the Army spares log chain!**

➤ **MS 3 Developmental and Operational Testing will bolster confidence and identify any needed course corrections before moving to Army-wide**